

MISSOURI HISTORIC PRESERVATION TAX CREDIT PROGRAM

FINAL APPLICATION AND GUIDELINES

The Missouri Historic Tax Credit Program was passed in September 1997 by the Missouri General Assembly, and became effective January 1, 1998. The law's intent is to aid in the redevelopment of historic structures in the state of Missouri. The Missouri Department of Economic Development is responsible for the issuance of the credits based upon certification of the rehabilitation by the Missouri Department of Natural Resources, State Historic Preservation Office (SHPO). If there is any conflict between these Guidelines and the applicable statutory provisions, the statutes shall control.



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Appendix 1: Expense Information

NOTICE

The Tax Credit Accountability Act of 2004 (Senate Bill 1099, Sections 135.800 through 135.830, RSMo) makes several changes to the tax credit programs, specifically:

- **Processing tax credit applications;**
- **Annual reporting requirements; and,**
- **Penalty provisions.**

Changes in Processing of Tax Credits (Section 135.815, RSMo)

Prior to the Missouri Department of Economic Development (DED) authorization of a tax credit, the DED will contact the Departments of Revenue and Insurance and verify that the applicant does not owe any delinquent income, sales, use, or insurance taxes, or interest or penalties on such taxes. If a delinquency exists, the amount of tax credits issued will be reduced by the amount of the delinquency. After satisfying all delinquencies, the remaining credits shall be issued.

Reporting Requirements (Section 135.805, RSMo)

Certain tax credit recipients are required to annually report information pertaining to the project that received the tax credits to the DED. The statute requires that a full year pass after the issuance of the tax credits before the reporting requirements must be met. The earliest date that reporting may be required is June 30, 2006.

The Redevelopment category of tax credits, which includes the Historic Preservation Tax Credit program, requires recipients to annually report for three (3) years following the date of issuance of the tax credits to the DED the following information:

- Whether the property is used for residential, commercial or governmental purposes;
- Projected or actual project cost and labor cost; and,
- Date of completion.

Penalty Provisions (Section 135.810, RSMo)

Failure to meet the annual reporting requirements or fraud in the application process if determined by a court, such person or entity shall be subject to penalties.

If the annual report is ninety (90) days past due, the DED shall send notice by registered mail to the last known address of the person or entity who is required to complete the annual report. The notice shall inform the person or entity of the past-due report and the pending penalties and their respective deadlines.

If the annual report is six (6) months past due, the DED shall notify the Department of Revenue that the taxpayer is subject to penalties because of failure to report.

Such penalties include the following:

- Failure to report for six (6) months but less than one year shall equal a penalty of two percent (2%) of the value of the tax credits issued for each month of the delinquency.
 - EXAMPLE: Recipient receives \$10,000 in tax credits. Annual report is due June 30, 2006, however, the recipient does not submit the report until March 30, 2007. The recipient is nine (9) months delinquent and the penalty would equal 2% multiplied by \$10,000 for nine (9) months or \$1800.
- Failure to report for more than one (1) year shall equal a penalty of ten percent (10%) of the value of the credits issued for each month of the delinquency, not to exceed one hundred percent (100%) of the tax credit value.
 - EXAMPLE: Recipient receives \$10,000 in tax credits. Annual report is due June 30, 2006, however, the recipient does not submit the report until March 30, 2008. The recipient is twenty-one (21) months delinquent and the penalty would equal 10% multiplied by \$10,000 for twenty-one (21) months or \$21,000, however, the statute limits the penalty to the amount of the tax credits, therefore, the penalty would be \$10,000.

The taxpayer shall be liable for any penalties as of December 31 of any tax year and the liability shall be due as of the filing date of the taxpayer's next income tax return.

If the taxpayer is not required to file an income tax return, the taxpayer's liability for penalties shall be due as of April 15th of each year.

The Director of the Department of Revenue shall offset any tax credits claimed on a filed tax return against an outstanding penalty before applying such credits to the tax year against which they were originally claimed.

Any nonpayment of liability for penalties shall be subject to the same provisions of law as a liability for unpaid income taxes, including but not limited to, interest and penalty provisions.

Penalties shall remain the obligation of the person or entity obligated to complete the annual report without regard to any transfer of the credits.

Closed Records (Sections 610.255 and 620.014, RSMo)
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Prior to August 28, 2004 and pursuant to Section 620.014, DED had the authority to close certain records except for the name of the tax credit recipient and the amount of the tax credit. SB 1099 removes this broad exception but DED retains the authority to close records or documents that "relate to financial investments in a business, or sales projections or other business plan information which may endanger the competitiveness of a business" or as also allowed by law.

WHAT'S THE PROCESS?

When the project is completed and expenses have been paid, the final application should be submitted along with expense documentation and required application materials. After the final materials are received by DED, the SHPO performs a final review of the technical project work and DED performs an audit of the expenses. After approval of the project work and expenses, a tax credit certificate for 25% of qualified rehabilitation expenditures is issued and mailed to the applicant.

PROGRAM CHANGES EFFECTIVE JANUARY 1, 2005

1. Since 2002, DED has allowed an applicant to complete a project in Construction Periods. Effective immediately, Construction Periods will only be allowed when a phased federal application is also filed. The state Construction Periods must mimic the phases submitted in the federal application. The applicant must apply for all Construction Periods simultaneously, prior to any work being done on the project.
2. An applicant who elects to utilize Construction Periods must submit an Audit (see Expense section for "Audit" information) for each Construction Period, regardless of that Construction Period's cost.
3. All documentation proving an applicant's expenses and payments must be submitted to DED for review during the final application process.

FREQUENTLY ASKED QUESTIONS (FAQS)

Q: How do I claim the tax credits?

A: Complete form MO-TC, available from the Department of Revenue at (573) 751-3505 or at DOR's website: www.dor.mo.gov/tax/personal/forms

Q: Which expenses are eligible for tax credits?

A: Put simply, improvements made within the "footprint" of the building are eligible if they are permanent. Soft costs directly related to the rehabilitation, such as architect's fees, are also allowed. See the Appendix for a list of eligible project expense categories. Total costs incurred on rehabilitation shall include but not be limited to qualified rehabilitation expenditures as defined under section 47(c)(2)(A) of the Internal Revenue Code of 1986 as amended.

Q: Can tax credits be sold or transferred?

A: Yes, state credits earned on work completed after August 28, 1998 may be sold or transferred. Fill out form MO-TF (included in the Appendix) and return to the Missouri Department of Economic Development at P.O. Box 118, Jefferson City MO 65102.

Q: What should I submit to DED to provide proof of my expenses?

A: Copies of paid receipts, invoices, and cancelled checks may be submitted. If the cost of a project is more than \$250,000, a visit to an independent Certified Public Accountant will be required.

Q: The application instructions indicate I need to submit two sets of photos. Can I make photocopies of the original photos and submit those as the second copy?

A: No, original photographs are required for both sets. Digital photos are not allowed.

DEFINITIONS AND KEY POINTS

Definitions:

- a. Certified Historic Structure: A building located in Missouri and listed individually on the National Register of Historic Places.
- b. Eligible Property: A property located in Missouri and offered or used for residential or business purposes.
- c. Structure in a certified historic district: A structure located in Missouri which is certified by the Department of Natural Resources as contributing to the historic significance of a certified historic district listed on the National Register of Historic Places, or a local district that has been certified by the United States Department of Interior.
- d. Basis: The cost, or fair market value, of the property at the time of acquisition, or as otherwise defined in the United States Internal Revenue Code. Cost includes the cash paid, the fair market value of services rendered, and the fair market value of property traded in exchange for the property. Also, certain closing costs can be added to the basis of property. Such closing costs include commissions paid by the purchaser, legal fees, recording fees, and state transfer taxes on real estate.
- e. NAICS: North American Industry Classification System. The Federal Office of Management and Budget (OMB) adopted the NAICS as the industry classification system used by the statistical agencies of the United States. NAICS replaces the 1987 Standard Industrial Classification (SIC). The NAICS is used for classifying business establishments to assist with gathering data related to measuring productivity, unit labor costs, and the capital intensity of production, employment and other information. Missouri businesses are assigned a NAICS when the company files a "Report to Determine Liability Status" with the Missouri Department of Labor and Industrial Relations, Division of Employment Security to determine Unemployment Tax Liability. Normally, a general business employer becomes liable for the tax and responsible for providing unemployment insurance for its workers when it:
 - Pays \$1,500 in wages (cash and in-kind) in a calendar quarter, or
 - Has an employee in some portion of a day in each of 20 different weeks, or
 - Becomes liable under the Federal Unemployment Tax Act (FUTA) and employs a worker in Missouri, or
 - Acquires and continues without interruption substantially all the business of a liable employer.

Key Points:

- a. Total costs incurred on rehabilitation shall include but not be limited to qualified rehabilitation expenditures as defined under section 47(c)(2)(A) of the Internal Revenue Code of 1986 as amended. (See Appendix for partial lists.)
- b. Tax credits must be used first in the year they are issued. If there is any excess, they may be carried back to any of the three preceding years AND carried forward for the succeeding ten years. The credit is to be claimed against the taxes imposed pursuant to chapter 143, RSMo and Chapter 148, RSMo, except for sections 143.191 to 143.265, RSMo.
- c. Eligible taxpayers may transfer, sell or assign the credits. Work completed and credits earned before August 28, 1998 may not be sold or transferred.
- d. Tax credits granted to a partnership, a limited liability company taxed as a partnership or multiple owners of property shall be passed through to the partners, members or owners respectively pro rata or according to an executed agreement among the partners, members or owners documenting an alternate distribution method. Any alternate distribution agreement must accompany the Part 2 (Final Application) for final certification. Not-for profit entities, including but not limited to corporations organized as not for-profit corporations pursuant to Chapter 355 RSMo, shall be ineligible for the tax credits authorized under sections 253.545 through 253.561.
- e. The assignee of the tax credits may use acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed pursuant to Chapter 143, RSMo, and Chapter 148, RSMo, except for sections 143.191 to 143.265, RSMo. The assignor shall perfect such transfer by notifying the Department of Economic Development in writing within thirty days following the effective date of the transfer and shall provide any information as may be required by the Department of Economic Development to administer the transfer.
- f. A rehabilitation project may be completed in more than one "construction period". These "multiple projects" must adhere to the following:
 1. Each multiple project will be treated as a separate entity, and therefore each construction period for the multiple projects must exceed 50% of the total basis in the property of the rehabilitation costs.
 2. Each construction period application must be submitted at the beginning of the project.
 3. The costs associated with one construction period may not be carried to another construction period of the project. Each construction period, though within one structure, is considered a separate project for audit purposes.
- g. A project is considered completed when the structure has received a certificate of occupancy permit or a placed-in-service date. Placed in service is defined as "the appropriate work that allows for occupancy of either the entire building, or some identifiable portion of the building is complete". This date becomes the completion date and all expenses for the project must be incurred by that date to be considered as eligible for the state historic credits.
- h. For expenses to be considered eligible under the state guidelines, they must either be paid in full or incurred by the completion date of the project. If an expense is incurred, the applicant must supply documentation during the audit process that shows the expenses were actually incurred.
- i. Eligibility: Any person, firm, partnership, trust, estate, or corporation is eligible to participate in this program except not-for-profit entities and government entities. There are special circumstances:
 - An otherwise eligible lessee may receive tax credits for rehabilitation expenditures incurred by the lessee for a building owned by a not for profit entity, if the term of the lease, without regard to renewals, is longer than:
 - 27.5 years for residential property
 - 39 years for non-residential property
 - For buildings leased to a tax-exempt entity, that portion of the building is generally ineligible for rehabilitation credits.
- j. Effective January 1, 1999, applicants will not receive tax credits for rehabilitation expenses incurred prior to receipt of the preliminary project application by DED.

GETTING FINAL APPROVAL

The final application, called **Form 2 – Final Approval**, must be submitted within 60 days of project completion. Form 2 is included in the Appendix of this publication. Other documentation is also required and is listed on the Final Approval Checklist included in this booklet.

Follow the instructions on the next few pages to complete your final application for the Historic Preservation tax credit program. Submit two copies of the application materials. If you are also applying for the federal Historic Preservation program, you must submit three sets of all application materials.

The Missouri Department of Economic Development will be responsible for forwarding the project to the Missouri Department of Natural Resources, State Historic Preservation Office for technical review of the project and certification of rehabilitation work. Please do not send your application materials separately to each office, as it will slow the approval process.

The final approval process takes approximately 30 working days.

Send all your application materials to:

Missouri Department of Economic Development
Historic Preservation Tax Credit Program
301 West High Street, Room 770
P.O. Box 118
Jefferson City, MO 65102



MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT HISTORIC PRESERVATION TAX CREDIT PROGRAM

FINAL APPROVAL CHECKLIST

- ☐ Historic Tax Credit Form 2 – Final Approval (2 copies*)
- ☐ HTC-E Form – List of Itemized Project Costs (or identical spreadsheet) and notarized signature page
- ☐ Backup Documentation for Expenses
- ☐ Document showing actual cost of acquisition if not already submitted.
(This may be a copy of a closing statement that shows the acquisition cost or purchase price of the property.)
- ☐ After pictures (2 sets*)

Submit application materials to:

Missouri Department of Economic Development
Historic Preservation Tax Credit Program
301 West High Street, Room 770
P.O. Box 118
Jefferson City, MO 65102

* Three sets of all application materials must be submitted if the application is for both state and federal Historic Preservation tax credit programs

APPLICATION INSTRUCTIONS: FORM 2 – FINAL APPROVAL

1. APPLICANT INFORMATION:

Name: Provide the name of the individual or entity that is filing the application and will receive the tax credits. The tax credit certificate will be issued to the individual or entity entered as the applicant.

Log Number: Please enter the project log number. If you do not have the log number available, leave it blank.

Type of Entity:

- If the applicant is a business entity, complete the appropriate information on the left. Check the appropriate box indicating the type of entity. Supply the name of an authorized company official and the address. Enter the entity's Taxpayer Identification Number. Supply the appropriate NAICS code (see Definitions in Guidelines). Enter the authorized company official's email address, if available. List the property owner.
- If the applicant is an individual, complete the appropriate information on the right. Check the appropriate box indicating if the individual is the property owner. Enter the individual's contact information. Supply the individual's Social Security Number and spouse's Social Security Number, if applicable. Enter the applicant's email address, if available. If the individual requesting tax credits is not the property owner, please list the owner.
- **Special Note:** For entities with flow through tax treatment (e.g., partnerships, S-corporations, etc.), on a separate sheet include the name, address, and social security number or taxpayer ID number for all persons or entities with an ownership interest. Provide the percentage ownership interest for each taxpayer as of the time of the application. If the tax credits are to be certified other than pro rata according to the proportion of ownership interest, attach an executed agreement among the partners, members, or owners documenting the alternate distribution method.

2. PROJECT CONTACT:

Applicant/Owner/Other: Check the appropriate box and specify the name and contact information of the contact person. The Project Contact may be the applicant or a third-party contact. All correspondence from DED will be sent to the Project Contact.

3. PROPERTY INFORMATION:

Name of Property: If the building or residence is known by a specific historic name, enter the name.

Address: Enter the address of the project site, including city/town, state, zip code, and county.

Property Type (After Rehabilitation): Check the appropriate box to indicate if, after rehabilitation is complete, the property will be used for residential, commercial, or a mix of residential and commercial.

4. OWNER INFORMATION:

Name: Enter the name of the property owner. It may be an individual or entity.

Address: Print the address, city/town, state, and zip code of the property owner. Include the owner's phone number and fax number, if available.

5. HISTORIC ELIGIBILITY:

Is the Property Currently on the National Register? Yes or No: Check the appropriate box. If the property's nomination is pending, please write "Pending" in the space provided.

Name of Registered Historic District (if applicable): If the property is not individually listed on the National Register, please print the name of the Historic District in which the property is located.

6. APPLYING FOR FEDERAL PROGRAM?

Yes or No: If the project will be submitted for the state and federal Historic Preservation programs, check "Yes". If not, check "No".

Reminder: If the application is for state and federal credits, three (3) copies of all materials must be submitted.

7. FINAL TAX CREDIT REQUEST:

Project Start Date: Enter the month, day, and year of the beginning of the project.

Project Completion Date: Enter the month, day, and year of the completion date.

Total Cost of Project: Enter the total project cost. Do not include the cost of acquiring the property.

8. **Basis of Property:** If not submitted with the preliminary application, submit proof of the property's basis. This document must show the actual acquisition cost of the property.
Are there other State of Missouri tax credits being applied toward this project? Select the appropriate box. If "Yes," please indicate which programs are applicable. If no other programs are being applied to the project, check "No."
9. **USE OF PROPERTY:**
Complete the appropriate section(s) based on the use of the property. If the property will be used for residential and commercial purposes, fill out both sections.
- 8a. If property will be for commercial/retail/wholesale/business use:**
Number of Jobs Created (Non-Construction Jobs): Enter the number of jobs expected to be created after rehabilitation. Do not include construction jobs created during rehabilitation.
Will the property receive tax abatement? Select the appropriate box to show whether the property will receive tax abatement.
If yes, for how long? Indicate the number of years that tax abatement will be provided to the property, if applicable.
- 8b. If property will be for residential/multifamily use:**
Number of Housing Units Created: Enter the number of housing created. For example, rehabilitation of a single-family residence created one unit. Rehab of a duplex would create two units whether or not the residence has recently or is currently occupied.
Type of Housing: Select the type of housing at the location. Indicate whether the housing will likely be owner-occupied or rented.
Will the property receive tax abatement? Select the appropriate box to show whether the property will receive tax abatement.
If yes, for how long? Indicate the number of years that tax abatement will be provided to the property, if applicable.
9. **CERTIFICATION:**
Must be signed and notarized.

INSTRUCTIONS: SUBMITTING YOUR EXPENSES

As part of the final application process, the applicant must submit an itemized list of project costs. All project costs, both eligible and ineligible for credits, should be listed. Expense documentation, such as invoices, receipts, or a final draw sheet, must also be included with your submission. The applicant will be required to show proof of payment.

Expense Guidelines: Total Project Costs Less Than \$250,000

For applications with a total project cost of less than \$250,000, the applicant may prepare the expenditures list using the HTC-E form or a spreadsheet with identical column headings as the HTC-E form. Expenses must be grouped into "categories of work." For example, all masonry expenses must be grouped together, as should all plumbing expenses be listed together. Each category must be sub-totaled. A list of categories has been included in the Appendix.

- ☐ Separate expenses by type of work (category). Use the "Categories of Work" list provided in this packet.
- ☐ Submit back-up documentation. Group the paid invoices, receipts and/or cancelled checks in the order in which they appear on the list of itemized expenditures (HTC-E form). Back-up documentation may include, but is not limited to, the following:
 - Invoices or other documents that show expenses were incurred, AND
 - Final signed AIA documents and supporting schedules if available,
 - Final Bank and/or Title Company disbursement sheets and/or draw statements, OR
 - Copies of cancelled checks, credit card statements or other documents that show the invoices were paid

- Note 1: Cash Payments will be disallowed
- Note 2: Unpaid Costs will be disallowed unless a legal document is submitted to DED and meets DED's approval

Expense Guidelines: Total Project Costs Greater Than \$250,000

For a project of more than \$250,000, an audit by an independent Certified Public Accountant is required. The CPA must perform a 100% review and verification of all available invoices and proof of payment documentation to ensure that 100% of all project costs were incurred and paid. The CPA firm must also document, for review by DED, any and all accrued expenses. If an expense has been incurred and not yet paid, the applicant must submit a legal agreement outlining the scope of work and time for payment.

- ☐ A Certified Public Accountant (CPA) must perform an Audit of the project expenses. The Audit must include a 100% review and verification of all available invoices and proof of payment documentation to ensure that 100% of all project costs were incurred, paid, and are qualified or non-qualified rehabilitation expenses as defined under section 47(c)(2)(A) of the Internal Revenue Code of 1986 as amended. The CPA's list of project expenditures must be submitted in the format of the HTC-E form.
 - ☐ Submit back-up documentation. Proof of payment is required. Back-up documentation may include, but is not limited to, the following:
 - Development Fee and Partnership Agreements last signed, if appropriate
 - Final signed AIA documents and supporting schedules if appropriate
 - EITHER Final Bank and/or Title Company disbursement sheets, draw statements OR
 - Copies of cancelled checks, credit card statements or other documents that show proof of payment
- Note 1: Cash Payments will be disallowed
 - Note 2: Unpaid Costs will be disallowed unless a legal document is submitted to DED and meets DED's approval
 - Note 3: Audit of total project costs by independent CPA must include a 100% review and verification of all available invoices and proof of payment documentation to ensure that 100% of all project costs were incurred and paid. The CPA must also document, for review by DED, any and all accrued expenses.

There are six columns on the HTC-E form. The column headings are listed and explained below:

- Category of Work:
Each expense will fall into a broad type-of-work category, such as Carpentry, Plumbing, or Windows. Itemize all such expenses together, and subtotal each category.
- Method of Payment:
For each expense, enter the payment method, such as Check, Credit Card, or draw number.
- Date Paid:
Enter the date the expense was paid.
- Contractor:
Enter the name of the contractor or store that provided the services or supplies.
- Description of Expenditure:
Briefly explain the work. For example, if a plumber charged \$300 to replace interior water pipes, include that description in this column.
- Work Completed 8/28/98 – Completion Date:
Enter the dollar amount of each expenditure in this column. Subtotal each "category of work" and total up all project costs at the end of the list. Expenses must be separated if they were incurred prior to August 28, 1998. Expenses for work done before that date may be eligible for a tax credit, but are not sellable or transferable.

An example of how to fill out the HTC-E form is shown below:

CATEGORY OF WORK	METHOD OF PAYMENT	DATE PAID	CONTRACTOR	DESCRIPTION OF EXPENDITURE	WORK COMPLETED 8/28/98 – COMPLETION DATE
ELIGIBLE (or Qualifying) EXPENSES					
Architecture	Check #1456	10/23/2003	Jones' Architecture Firm	Architectural drawings and plans for application	\$2,300.45
Architecture Subtotal					\$2300.45
Cabinets	Discover card	9/28/2003	Bill's Cabinet Shop	Built-in cabinets - deposit	\$924.24
Cabinets	Check #1502	10/31/2003	Bill's Cabinet Shop	Built-in cabinets - second payment	\$800.00
Cabinets	Check #1724	11/3/2003	Home Depot	Built-in cabinets - third payment	\$1,200.00
Cabinets	Check #1755	11/26/2003	Bill's Cabinet Shop	Cabinet installation, labor	\$2,149.28
Cabinets Subtotal					\$5,073.52
Flooring	VISA	10/15/2003	Lowe's	Purchase flooring	\$2,847.22
Flooring Subtotal					\$2,847.22
TOTAL ELIGIBLE					\$10,221.19
INELIGIBLE (or Non-Qualifying) EXPENSES					
Landscaping	Check #1822	11/15/2003	Smith Lawncare	Seeding, landscaping	\$1,600.00
TOTAL INELIGIBLE					\$1,600.00
GRAND TOTAL					\$11,821.19

TRANSFERRING CREDITS

In the event the taxpayer receiving the Tax Credit Certification(s) wishes to transfer, sell or assign the tax credits, the taxpayer must notify DED in writing of this transaction. The taxpayer must fill out MO-TF (Transfer Form) for each transfer being requested. The form is available in the Appendix. There may be federal and state tax on profit of the sale or purchase of historic preservation tax credits. Consult a tax advisor with any tax questions.

After receipt of a completed MO-TF and the original Certification, DED will reissue a Tax Credit Certificate to the assignee of the credits and notify the Department of Revenue of the change in assignee. The period of time tax credits are redeemable remains the same as the original tax credit.

Credits earned for rehabilitation expenses incurred prior to August 28, 1998, cannot be transferred, sold, or assigned.

APPENDIX 1 – EXPENSE CATEGORIES

CATEGORIES OF WORK*

Accounting	Electrical	Ornamental Metals
Acquisition	Electrical Fixtures	Painting
Alarm/Security	Elevators	Parking Lot
Appraisal	Engineering	Permanent Financing Fees
Appliances	Environmental	Permits
Architecture	Excavation	Plaster
Awnings	Exterior Lighting	Plumbing
Blinds/Shades	FF & E	Plumbing Fixtures
Builders Overhead	Finish Carpentry	Real Estate Taxes
Builders Profit	Fire Extinguishers	Recording Title/Transfer Charge
Builders Risk Insurance	Fire Sprinklers	Rental Equipment
Cabinets	General Contractor Fee	Roofing
Carpeting	General Contractor Profit	Rough Carpentry
Ceramic Tile	General Requirements	Rough Electrical
Clean-Up	Gutters	Rough Plumbing
Closing Cost	Hardware	Sewer & Water Hookup
Common Labor	Hauling	Sheet Metal
Concrete	Historic Consultant	Shelving
Construction Period Interest	HVAC	Siding
Construction Supervision	Insulation	Site Work
Construction Utilities	Labor	Specialties
Contingency	Landscaping	Structural Steel
Counter & Vanity Tops	Legal	Supplies & Equipment
Demolition	Loan Origination Fee	Survey
Developer Fee	Lumber	Toilet partitions/accessories
Developer Profit	Marketing	Tuckpointing
Disbursing Fee	Masonry	Waterproofing
Doors	Mirrors	Windows
Drywall	Miscellaneous	Wood Flooring

* **NOTE:** Not all items are qualified rehabilitation expenses. See list below for examples of non-qualified expenses.

NON-QUALIFIED EXPENSES**

Acquisition Cost	Fences & Gates	Permanent Financing Fees
Appliances	Fire Extinguishers	Real Estate Taxes outside of project rehab period
Appraisal	Garage Expenses	Room additions outside of original foundation of structure
Awnings	Landscaping	Sidewalks
Blinds & Shades	Light Bulbs	Signs
Closing Costs not related to Construction Loan	Loan Fees not related to Construction Loan	Sheds & Gazebos
Contractor Fees over 10% of Project Costs	Mailboxes	Shelves
Credit Card Interest	Marketing Costs	Tenant Relocation Costs
Deck Builds and Deck Enlargements	Mirrors	Tools
Developer Fees over 20% of Project Costs	Mortgage Interest	Union Dues
Equipment Purchases & Replacement on Small projects	Site Work	
	Parking Lots	
	Patios	

** **NOTE:** The list above may not include all non-qualified, or ineligible, expenses.